



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 2

290 BROADWAY

NEW YORK, NY 10007-1866

MAR 16 2015

Mr. Curtis Borland
Acting Chief, Deepwater Ports Standards Division
U.S. Coast Guard
2703 Martin Luther King Jr. Ave SE Stop 7509
Washington, D.C. 20593-7509

Dear Mr. Borland:

The U.S. Environmental Protection Agency has reviewed the draft environmental impact statement (DEIS) for the Port Ambrose Project Deepwater Port (CEQ # 20140356). Liberty Natural Gas, LLC proposes to own, construct, and operate the Port Ambrose deepwater liquified natural gas port in federal waters of the New York Bight, approximately 16.1 nautical miles off of Jones Beach, New York and 27.1 nautical miles from the entrance of New York Harbor. Liquified natural gas (LNG) would be delivered by purpose-built LNG regasification vessels, vaporized on board, and delivered through two permanently anchored submerged turret loading buoys, subsea manifolds and lateral pipelines to a buried mainline that will connect to the existing Transcontinental Gas Pipe Line Company's (TRANSCO) Lower New York Bay Lateral. Port Ambrose would be designed to transport an annual average of 400 million standard cubic feet per day of natural gas while the regasification vessels are in port. This review was conducted in accordance with Section 309 of the Clean Air Act, and the National Environmental Policy Act (NEPA).

EPA's technical comments on the draft environmental impact statement are enclosed with this letter. The comments address transportation, benthic impacts, general conformity, greenhouse gas emissions, and methane leakage prevention, as well as some general issues.

In light of the additional information recommended on potential environmental impacts from the proposed project, EPA has rated the DEIS as Environmental Concerns – Insufficient Information ("EC-2") (see enclosed rating sheet). If you have any questions regarding this review or our comments, please contact Lingard Knutson at 212-637-3747 or Knutson.lingard@epa.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Judy-Ann Mitchell".

Judy-Ann Mitchell
Sustainability and Multimedia Programs Branch

Enclosures

**EPA's Technical Comments on the U.S. Coast Guard's
Draft Environmental Impact Statement
"Port Ambrose Project Deepwater Port Application – Docket No. USCG-2013-0363"
February 25, 2015**

Transportation:

Section 3.10.1 states that the regional transportation network in New York City and Northern New Jersey is managed by the Port Authority of New York and New Jersey. The Port Authority is only one of several state and local agencies that plan, construct and operate aspects of the regional transportation network. These would include state and city Departments of Transportation, metropolitan planning organizations and the Federal Highways Administration.

Benthic Impacts:

Both Sections 4.2.2.1 and 4.2.2.2 state that permanent benthic impacts from the construction and operation of Port Ambrose would be 3.0 acres of seafloor. However, it is not clear whether this included the anchor chain and wire array sweeping impacts when the buoys deploy or the flexible riser and umbilicals when the buoys are not deployed. This should be clarified.

General Conformity:

Nassau County, New York, the closest portion of the adjacent state is in non-attainment for ozone. As such, a General Conformity Applicability Analysis is required for the Port Ambrose Project. However, a General Conformity Applicability Analysis was not included in the draft environmental impact statement. If the applicability analysis is not included in the final environmental impact statement, and an analysis shows that the emissions from project construction are above the de minimus level, the Coast Guard would have to provide a separate public notice with a 30-day comment period. (40 CFR 93.156)

Greenhouse Gas Emissions:

In discussing greenhouse gas (GHG) emissions, the DEIS compares the project's operating emissions to total reported emissions worldwide. Recognizing that climate impacts are not attributable to any single action, but are exacerbated by a series of smaller decisions, we do not recommend comparing GHG emissions from a proposed action to global emissions. As noted by the CEQ revised draft guidance, "[t]his approach does not reveal anything beyond the nature of the climate change challenge itself: [t]he fact that diverse individual sources of emissions each make relatively small additions to global atmospheric GHG concentrations that collectively have huge impact."

Table 4.10-13 shows total GHG emissions from the proposed project operations per year. The document should state how many ships are expected each year to produce these emission totals.

Methane Leakage Prevention:

EPA recommends that the Coast Guard and applicant consider potential best management practices to reduce leakage of methane associated with operation of the Port Ambrose facility. EPA has compiled useful information on technologies and practices that can help reduce methane emissions from natural gas systems, including information regarding emission reduction options for Liquefied Natural Gas storage, import and export facilities.¹

¹ http://www.epa.gov/gasstar/methaneemissions/storage_import_export.html

General:

Section 2.0 - EPA recommends that Section 2 include a more detailed description of the project's operation. For example, the description should include how many LNG carriers will be expected to call on the port each year, and how long each carrier will be attached to the mooring. This will give stakeholders a better understanding of how Port Ambrose will work over time, and the expected environmental and navigational impacts.

In Table 4.3.2, the abbreviation MM should be defined, and placed in the list of acronyms and abbreviations.

Section 4.7.2.1 – Military Use. The final environmental impact statement should include the conclusions of any discussions with the Department of Defense (DOD) on military uses of the area, or whether it is likely that the proposed project would impact those, or other DOD uses.

Section 4.7.2.2 – Commercial Fishing. There is no Figure 3.8-1 in the draft environmental impact statement.

Section 4.7.4.1 – Scuba Diving. The section listed as 4.7.2.3 should be 4.7.2.1.

Section 4.7.6.4 - Using container equivalents as a comparison to vessels is incorrect and may mislead the public. While there may be 5 million 20-foot equivalents loaded and unloaded in the Port of New York and New Jersey (PONYNJ), it would be more reasonable to compare overall vessel calls to and from the PONYNJ to the visual impacts of the proposed project.

SUMMARY OF RATING DEFINITIONS AND FOLLOW-UP ACTION
Environmental Impact of the Action

LO-Lack of Objections

The EPA review has not identified any potential environmental impacts requiring substantive changes to the proposal. The review may have disclosed opportunities for application of mitigation measures that could be accomplished with no more than minor changes to the proposal.

EC-Environmental Concerns

The EPA review has identified environmental impacts that should be avoided in order to fully protect the environment. Corrective measures may require changes to the preferred alternative or application of mitigation measures that can reduce the environmental impact. EPA would like to work with the lead agency to reduce these impacts.

EO-Environmental Objections

The EPA review has identified significant environmental impacts that must be avoided to provide adequate protection for the environment. Corrective measures may require substantial changes to the preferred alternative or consideration of some other project alternative (including the no action alternative or a new alternative). EPA intends to work with the lead agency to reduce these impacts.

EU-Environmentally Unsatisfactory

The EPA review has identified adverse environmental impacts that are of sufficient magnitude that they are unsatisfactory from the standpoint of environmental quality, public health or welfare. EPA intends to work with the lead agency to reduce these impacts. If the potential unsatisfactory impacts are not corrected at the final EIS stage, this proposal will be recommend for referral to the Council on Environmental Quality (CEQ).

Adequacy of the Impact Statement

Category 1-Adequate

EPA believes the draft EIS adequately sets forth the environmental impact(s) of the preferred alternative and those of the alternatives reasonably available to the project or action. No further analysis or data collection is necessary, but the reviewer may suggest the addition of clarifying language or information.

Category 2-Insufficient Information

The draft EIS does not contain sufficient information for EPA to fully assess environmental impacts that should be avoided in order to fully protect the environment, or the EPA reviewer has identified new reasonably available alternatives that are within the spectrum of alternatives analyzed in the draft EIS, which could reduce the environmental impacts of the action. The identified additional information, data, analyses, or discussion should be included in the final EIS.

Category 3-Inadequate

EPA does not believe that the draft EIS adequately assesses potentially significant environmental impacts of the action, or the EPA reviewer has identified new, reasonably available alternatives that are outside of the spectrum of alternatives analyzed in the draft EIS, which should be analyzed in order to reduce the potentially significant environmental impacts. EPA believes that the identified additional information, data, analysis, or discussions are of such a magnitude that they should have full public review at a draft stage. EPA does not believe that the draft EIS is adequate for the purposes of the NEPA and/or Section 309 review, and thus should be formally revised and made available for public comment in a supplemental or revised draft EIS. On the basis of the potential significant impacts involved, this proposal could be a candidate for referral to the CEQ.

*From: EPA Manual 1640, ↑ Policy and Procedures for the Review of Federal Actions Impacting the Environment. ↑↑